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SUBJECT: MUTHANNA: PIC PROVINCE WITH SOLID BUDGET EXECUTION RECORD

[1](#)1. (U) This is a PRT Muthanna reporting cable.

[1](#)2. (SBU) Summary: Muthanna has had a solid budget execution record over the past two years and is eligible for a budget supplement in [1](#)2008. With elections approaching, the Provincial Council plans to allocate 66% of both its original and supplemental budgets to programs that will directly impact the voting public - no surprise for a budding democracy in an election year. End Summary.

[1](#)3. (U) Muthanna became the first of Iraq's 18 provinces to revert to Provincial Iraqi Control. In September 2007, it was among the first group of provinces to complete a Provincial Development Strategy. (Once again, Muthanna is among the leaders in committing its budget.) This year's budget figures tell a relatively encouraging story.

[1](#)4. (U) At the end of April 2008, Muthanna had already committed 39% of its initial budget allocation of \$83.4 million. On the heels of 95 percent and 89 percent of funds committed for 2006 and 2007 respectively, Muthanna is well positioned for a third straight year of budget success.

[1](#)5. (U) In order to request a capital budget supplemental, the Ministry of Finance requires a provincial government to commit 25 percent of its FY2008 (capital) budget by June 30, 2008. Muthanna has committed 39 percent and plans to request a supplemental of \$58M, 70 percent of its original allocation. According to contacts in the provincial budget office, if approved, two-thirds of the additional capital budget will go to sectors that directly touch the voters: utilities, health, education, and municipalities. These figures parallel the original 2008 budget allocation.

[1](#)6. (U) The chart below provides a breakdown of the original and supplemental budget figures (in US dollars).

Sector incr.)	Original 2008 Budget	Supplemental Budget (percent
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Utilities	\$22,908,333	\$15,740,000 (+69)
Education	\$14,512,500	\$8,622,500 (+59)
Municipalities	\$12,500,000	\$11,208,333 (+90)
Transportation	\$10,737,500	\$6,796,667 (+63)
Health	\$5,833,333	\$3,333,333 (+57)
Communications	\$3,916,667	\$2,483,333 (+63)
Administration	\$3,833,333	\$4,494,167 (+117)
Criminal Justice	\$3,666,667	\$3,945,833 (+108)
Agriculture	\$3,250,000	\$875,000 (+27)
Youth and Sports	\$1,191,667	\$475,000 (+40)
Other	\$1,050,000	\$891,667 (+85)
Total:	\$83,400,000	\$58,865,833 (+70)

[1](#)7. (SBU) Comment: The Provincial Council has allocated 66 percent of both its original and supplemental budgets to sectors that directly touch the voting public - no surprise for a budding democracy in an election year. End Comment.